ECONOMIC SURVEY OF RHODESIA FOR 1965

Presented to Parliament by

THE MINISTER OF FINANCE
The Hon. J. J. Wrathall, M.P.

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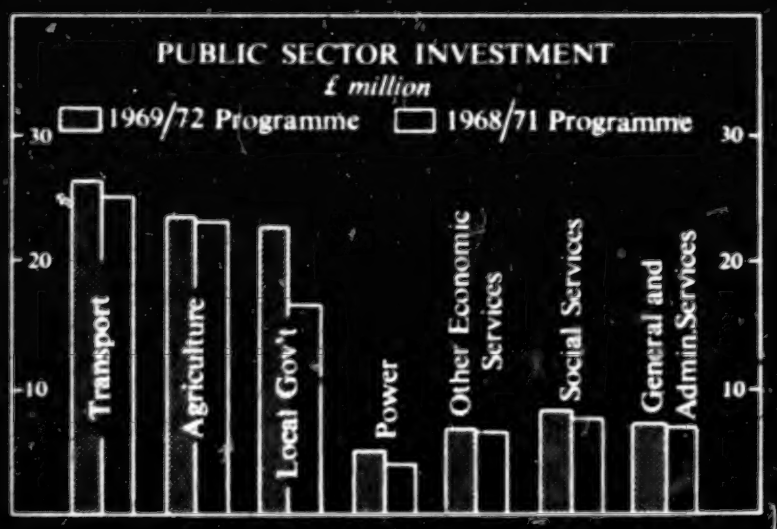
PUBLIC SECTOR INVESTMENT PROGRAMME for 1969–72

The Public Sector Investment Programme, covering a period of three financial years, is reviewed and extended annually to take account of changes in economic conditions and priorities in the public sector's development plans. The proposed development expenditure for the three years 1969–72 is summarised in Table 16. The programme reflects, as a general rule, gross investment including depreciation. The sources of finance include Government loan funds, various capital repayments to Government, loans raised by statutory commissions and local authorities, internal resources of statutory commissions and local authorities and capital contributions from consumers. The investment plans of the Central African Power Corporation and the recently established Tribal Trust Lands Development Corporation are uncertain and possible investments by these two organizations have been excluded from the programme.



The level of expenditure envisaged in the 1969–72 programme is higher than that of any previous plan. Total expenditure amounts to £96·4 million, or some £10·8 million more than the total of the 1968–71 plan. Some £9 million of this increase will be channelled into economic services, in particular for services of local government authorities. The balance of some £1·8 million will be directed into essential social services such as education, health and housing.

Expenditure of the order of £9·4 million, or about £3 million per annum, on public works represents, in the aggregate, £700,000 more than was contemplated in the previous plan. These funds will largely be spent on major hospital redevelopment and on school accommodation to meet the needs of an expanding population.

Economic services account for 84 per cent of total expenditure, social services for 9 per cent and administrative services for the remaining 7 per cent. The transport and agricultural sectors which fall within economic services, alone account for over 50 per cent of the total expenditure in the three year period.

In the transport sector, the development of the railway system is estimated to cost £15·6 million, the major part of which is for rolling stock and improvements to the permanent way. Other new investment in this sector includes £7·2 million for major road construction and £375,000 for civil aviation projects, in particular for a new aerodrome to serve the Wankie National Park. The major reconstruction of Salisbury Airport is now largely completed and does not therefore feature in the new plan.

The allocation of £22·6 million to the agricultural sector is larger than that contemplated a year ago and represents 24 per cent of the total programme. A provision of £3·4 million is made to the agricultural marketing undertakings to enable them to handle the substantially increased production of crops, meat and dairy products. The industry will also benefit from the £5 million available to the Land Bank for medium and long-term loans to farmers. The need to increase the productivity of the African rural areas is reflected in the sums of £2·5 million for the primary development of the Tribal Trust Lands and £1·1 million for the

Agricultural Loan Fund. In addition, much of the £3·4 million set aside for the development of the country's water resources will be spent in the Tribal Trust Lands. The Tribal Trust Lands Development Corporation will assume a major role in the development of these areas although it has not yet been possible to make specific provision in the plan for this purpose.

In the field of power reticulation, £4·6 million is provided for the continuing development of the Electricity Supply Commission's facilities. In the past year, the Electricity Supply Commission purchased 85 per cent of its total power requirements from the Central African Power Corporation through the Kariba grid system.

In addition to the £19·3 million available to the local government authorities for community services, £5·2 million will be spent on housing schemes for the African and Coloured communities. The programme of local authority expenditure is summarised below:

	£ million
African housing	4·6
Other housing	0·6
Offices and other buildings	2·2
Water	9·3
Sewerage	1·2
Roads	2·0
Electricity distribution	2·4
Plant, vehicles and equipment	1·3
Miscellaneous	0·9
	24·5

Included in other economic services is a provision of £3·9 million for postal and telecommunications services throughout the country.

The provision for social services reflects the need for more schools, hospitals and other services. The large-scale development of medical facilities in Salisbury will absorb most of the £2·5 million to be invested in health services.

Administrative services remain at about the same level envisaged in the previous plan, with continuing emphasis being placed on the provision of housing for administrative personnel in the rural areas; provision has also been made for a new office block in Salisbury.

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The provision of £3·3 million to the Sabi–Limpopo Authority forms part of a major programme for the further development of the lowveld which lies in the south-eastern region of Rhodesia. The plan calls for the development of a further 28,000 acres through the Authority's subsidiaries by 1974–75. The construction of a dam on the Lesapi river which will regulate the flow of water in the Sabi river and the construction of a 132 kV power line from Umtali to the Middle Sabi and Mkwasine schemes are intrinsic to the plan.

The catchment area of the Sabi–Lundi river system is approximately 32,000 square miles and its water resources, amounting to 3 million acre feet annually exceed those of the Vaal river in South Africa of 1·7 million acre feet. These resources will enable more than 700,000 acres to be placed under irrigation, thereby providing a means of livelihood for a substantial number of Rhodesians. Although development of these resources will require vast amounts of capital, it will enable a large proportion of the rapidly increasing African population to find a means of livelihood above mere subsistence levels.

Exploitation of the area commenced comparatively recently, but some 80,000 acres have already been brought into production under irrigation through the combined efforts of private enterprise and Government. There are three major water storage works involved, the Bangala dam, Lake Kyle and Lake McDougal.

The Sabi–Limpopo Authority was formed in 1965 as a government statutory undertaking. It initially concentrated its attention on using the water resources provided by Lake McDougal. This project, known as the Mkwasine/Essanby wheat scheme, has been developed in stages, and there are now more than 16,000 acres under intensive year-round irrigation. This scheme has cost approximately £3·1 million to date.

The second project launched by the Authority was the Chisumbanje irrigation settlement scheme in the Ndowoyo Tribal Trust Land along the lower reaches of the Sabi river. The black basalt soils in the area are particularly fertile and the potential for

development is 140,000 acres. The scheme is a pilot project for training Africans in the proper utilization of water for irrigation, in cropping techniques and in general farming administration. The design capacity of the pilot scheme is 4,000 acres of which, at present, 2,400 acres have been developed for flood irrigation using water pumped from the Sabi river. Further development beyond this pilot stage will necessitate the construction of a major storage dam on the Sabi river.

The Middle Sabi Scheme, the third project undertaken by the Authority, is situated on Crown Land adjacent to the Sabi river about 25 miles downstream from Birchenough Bridge. To date, 1,200 acres have been developed under irrigation with water pumped from the Sabi river. Most of the proposed investment over the next three years will be directed into this scheme.

These three schemes, amounting to nearly 20,000 acres at present, have cost £3·7 million and, in the three years up to the end of 1968, have produced a variety of summer and winter crops and livestock valued at £1·7 million. They provide permanent employment for about 60 Europeans and 3,000 Africans and casual seasonal employment for a further 7,000 Africans.

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